

DEPARTMENT OF SOCIAL SERVICES

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June 3, 1985

ALL-COUNTY LETTER NO. 85-60

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: STATEWIDE AUTOMATED WELFARE SYSTEM FOOD STAMP ON-LINE
ISSUANCE SYSTEM COST BENEFIT ANALYSIS/IMPLEMENTATION PLAN
WORKSHOP FOLLOW-UP

REFERENCE: ALL COUNTY LETTER NO. 85-43, DATED APRIL 11, 1985

This letter serves as a follow-up to the recent Statewide Automated Welfare System (SAWS) Food Stamp On-Line Issuance System (FSOLIS) Cost Benefit Analysis/Implementation Plan (CBA/IP) workshops, which were conducted in Sacramento, Orange, and Alameda Counties on April 26, 29, and 30, 1985, respectively. It transmits two documents which were presented to the attendees at the FSOLIS CBA/IP workshops: the draft FSOLIS Standards and a listing of Federal Enhanced Funding Requirements. Additionally, it identifies corrections to the FSOLIS CBA/IP document which was forwarded to you on April 11, 1985 as an attachment to All County Letter No. 85-43.

The FSOLIS Standards (Attachment 1) are State minimum requirements for a FSOLIS. The FSOLIS Standards define the function of this SAWS module and address the criteria for achieving its objectives through a set of input, processing, and output requirements. Counties who implement a FSOLIS will be required, once the FSOLIS is operational, to demonstrate that their system complies with the FSOLIS Standards.

The draft FSOLIS Standards are the result of a combined effort on the part of the State Department of Social Services (SDSS) staff and county welfare department representatives who were appointed by the County Welfare Directors Association. The SDSS does not expect to make substantive changes to the standards prior to their publication and release.

- o Attachment 1 is an updated version to the draft FSOLIS Standards which were presented at the workshops.
- o Attachment 2, "Federal Enhanced Funding Requirements", identifies criteria for an automated Food Stamp Issuance, Reconciliation, and Reporting System outlined by the Food and Nutrition Service of the United States Department of Agriculture. Counties that implement a system which complies with these requirements (in addition to State


FSOLIS Standards) either alone or in combination with another automated system, may qualify for reimbursement for development and implementation costs at the federal enhanced level.

The "Federal Enhanced Funding Requirements" document is a supplement to the FSOLIS CBA/IP which was forwarded to all counties on April 11, 1985. That letter directed counties with 2,000, or more food stamp households to complete and forward the FSOLIS CBA/IP to the SDSS by July 1, 1985. These counties are also required to complete Attachment 2 and forward it, together with the FSOLIS CBA/IP, to the SDSS by July 1, 1985.

- o Attachment 3 identifies modifications to the FSOLIS CBA/IP.

If you have any questions, please call Kirby Fukushima at (916) 924-2997.

Sincerely,


JOANNE ICHIMURA-HOFFMANN
Deputy Director
Management Systems and
Evaluation Division

Attachments

cc: SAWS State Steering Committee
SAWS CWDA Steering Committee
CWDA

700 FSOLIS

.1 A Food Stamp On-Line Issuance System (FSOLIS) is an automated data processing issuance, reconciliation, and data collection system that utilizes an on-line issuance function for over-the-counter transactions. The system must comply with requirements set forth in these standards.

.2 FSOLIS Objectives

.21 Program Dollar Savings

Program dollar savings are expected to result from a reduction in duplicate issuances due to lost or stolen Authorizations to Participate (ATP) or coupons.

.22 Administrative Cost Savings

Administrative cost savings are expected to be realized through staff efficiencies due to automated reconciliation, elimination of producing and processing ATPs and timely/accurate access to issuance data, and reductions in county liabilities for unauthorized issuances.

.23 Production of Timely and Accurate Data

Automation is expected to allow timely access to accurate program participation and coupon issuance data.

.24 Reduction of the Potential for Fraud

Automated issuance will significantly reduce fraudulent food stamp issuance transactions. In addition, immediate reconciliation will minimize fraud investigation activities because of the significant reduction of duplicate issuances due to lost or stolen ATPs or coupons.

.3 FSOLIS General Requirements

- .31 A FSOLIS shall comply with Food Stamp program regulations in Division 63, MPP.

701 Files

The following data elements are required in a FSOLIS:

- .10 Case Name - name of household that has been assigned the case ID number
- .11 Case ID Number - the case file number assigned by the county to identify a specific case
- .12 Allotment Amount - the total value of coupons a household is authorized to receive during each period of authorization.
- .13 Authorization Period - the period of time for which a household is authorized benefits.
- .14 Payee - is the name of the primary household member authorized to transact benefits.
- .15 Authorized Representative/Designated Household Member - is the name of the person other than the payee authorized to transact benefits.
- .16 Emergency Authorized Representative - is the person designated by the household who obtains coupons when neither the household member or authorized representative is available.

- .17 Receipt Number - is the number that identifies a specific automated on-line issuance transaction
- .18 Issuance Site Identifier - is a number or code assigned to a specific issuance site
- .19 Cashier Identifier - is a number or code assigned to a specific cashier
- .20 Date of Issuance - is the day that actual benefits were issued
- .21 Certification Worker Identifier - the identifier assigned to the worker who authorized the monthly food stamp benefits.

702 Performance Standards

- . 1 A FSOLIS shall perform issuance, reconciliation and data collection activities necessary to meet the applicable timeliness requirements established by MPP Division 63, including expedited issuance of benefits.
- . 2 A FSOLIS shall allow for reprogramming to implement state regulatory changes.
- . 3 A FSOLIS shall provide for immediate update of issuance transactions.
- . 4 A FSOLIS shall generate a transaction receipt number to be used on a document which is signed by the household/authorized representative or emergency authorized representative.
- . 5 A FSOLIS shall be capable of deactivating the access device upon notification that it is lost or stolen.
- . 6 A FSOLIS shall have the capability to allow the recipient to transact his/her food stamp authorizations in a timely manner if the access device is damaged, lost or stolen.
- . 7 A FSOLIS shall allow a households to only obtain food stamp benefits during the period in which the transaction is authorized.

- . 8 A FSOLIS shall allow for staggering and controlling the issuance of food stamp coupons to ensure cost effective use of the equipment.
- . 9 A FSOLIS shall produce the information to assist in determining that the individual who receives benefits is authorized to receive benefits, either on his/her own behalf or on behalf of a household(s).
- .10 A FSOLIS shall provide the automated issuance and reconciliation data necessary to meet Federal and State issuance and reconciliation reporting requirements.
- .11 A FSOLIS shall have timely data available.
- .12 A FSOLIS shall be capable of providing immediate reconciliation to actual issuances by issuance site cashier.
- .13 A FSOLIS shall utilize appropriate accounting controls and provide audit trails which meet State requirements.

703 System Security

System security shall be inherent in the design of the system and shall address confidentiality, privacy, and access.

- .1 A FSOLIS shall comply with security requirements outlined in the Division 63, Manual of Policies and Procedures.
- .2 A FSOLIS shall incorporate technological safeguards and operational procedures, which shall be established and applied to computer hardware, software, data and personnel in order to prevent unauthorized access and to ensure the protection and integrity of the system and confidentiality and privacy.

County _____

Prepared By _____

FEDERAL ENHANCED FUNDING REQUIREMENTS

Following is a listing of the United States Department of Agriculture's (USDA) Food and Nutrition Service (FNS) program functional standards for an automated Food Stamp System (excerpts from 7 CFR 277.18). If your proposed FSOLIS, either alone or in combination with another system, meets, at a minimum, the following standards, your agency may qualify for Federal Enhanced Funding (75% Federal, 12.5% State, 12.5% Local).

If you propose to meet the following system standards (in addition to SDSS System Standards) please indicate, by checking under the appropriate column, which system your agency plans to use to comply with each standard.

FSOLIS OTHER
AUTOMATED
SYSTEM

- | | | |
|-------|-------|--|
| _____ | _____ | 1. Generate authorizations for benefits and store all Household Issuance Record (HIR) information including: Name and address of household, household size, period of certification, amount of allotment, case type (PA or NA), name and address of authorized representative, and racial/ethnic data. |
| _____ | _____ | 2. Prevent a duplicate HIR from being established for presently participating or disqualified households. |
| _____ | _____ | 3. Allow for authorized under or over issuance due to claims collection or restored benefits. |
| _____ | _____ | 4. Provide for reconciliation of all transacted issuances to the HIR masterfile. This process must incorporate any manual issuances, account for any replacement or supplemental issuances to a household, and identify cases of unauthorized and duplicate participation within a county. |
| _____ | _____ | 5. Provide a mechanism allowing for a household's redemption of more than one valid authorization in a given month. |
| _____ | _____ | 6. Generate data necessary to meet Federal issuance and reconciliation reporting requirements, including |
| | | A. Issuance: |
| _____ | _____ | 1. FNS 259 - Summary of mail issuance and replacements; and |

2. FNS 250 - Reconciliation of redemptions with reported authorized coupon issuance.

B. Reconciliation:

1. FNS 46 - ATP Reconciliation Report

7. Generate data necessary to meet other reporting requirements including:

A. FNS 101 - Program participation by race;

B. FNS 256 - Report of coupon issuance and participation; and

C. FNS 388 - Coupon issuance and participation estimates.

8. Allow for sample selection for quality control reviews of casefiles, and for management evaluation reviews.

9. Provide for program-wide reduction or suspension of benefits and restoration of benefits if funds later become available and store information concerning the benefit amount actually issued.

10. Provide for expedited issuance of benefits within designated time frames.

11. Produce and store a participation history covering three year(s) for each household receiving benefits.

12. Provide for cut-off of benefits for households which have not been recertified timely.

The following general standards apply to the proposed system:

13. Perform all activities necessary to meet the various timeliness requirements established by FNS.

14. Allow for reprogramming to implement regulatory and other changes including a testing phase to meet implementation deadlines, generally within 90 days.

15. Generate whatever data is necessary to provide management information for the State's own use, such as caseload, participation and actions data.

16. Provide support as necessary for the State's management of federal funds relative to Food Stamp Program administration, generate information necessary to meet federal financial reporting requirements.

17. Provide for routine purging of casefiles and file maintenance.

MODIFICATIONS TO THE COST BENEFIT ANALYSIS/IMPLEMENTATION PLAN

1. Title Page

Return completed FSOLIS CBA/IP Worksheets to:

State Department of Social Services
County Approvals Section
744 "P" Street, MS 19-58
Sacramento, California 95814

2. Instructions for completing the CBA/IP - Page 1 Item A3 - CWD Staff

List the CWD staff who will be dedicated to FSOLIS development and implementation tasks for at least 50 percent of their time. These staff must be assigned to the project for four or more consecutive weeks.

3. Part III FSOLIS Cost Benefit Analysis - Page 11 Item E - Payback Period

Payback Period = $\frac{\text{Line A} + \text{Line B}}{\text{Line C} - \text{Line D}} \times 12 = \underline{\hspace{1cm}} \text{Months}$